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Counterclaim Defendants*

**UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY**

ENG SALES LLC,

Plaintiff,

v.

MARY RUYAN, LLC d/b/a COGO INC.;
MARY ALLISON RUYAN;
DIVA INTERNATIONAL INC.;
JOHN DOES 1-10,

Defendants.

DIVA INTERNATIONAL INC.,

Counterclaim Plaintiff.

v.

ENG SALES LLC; ENG SALES LLC d/b/a
STAM SALES; ELIEZER ZIMMERMAN;
GITEL ZIMMERMAN.

Counterclaim Defendants.

Civil Action No. 19-17482
(SRC-CLW)

COUNTERCLAIM
DEFENDANTS' ANSWER TO
COUNTERCLAIMS AND
AFFIRMATIVE DEFENSES

Assigned to:

Judge Stanley R. Chesler
Magistrate Judge Cathy L. Waldor

Electronically Filed

Counterclaim Defendants ENG Sales LLC, ENG Sales LLC d/b/a Stam Sales, Eliezer Zimmerman and Gitel Zimmerman (collectively, “Counterclaim Defendants”), by and through their counsel, state as follows for their Answer to the Counterclaims (Dkt. 11) filed by Counterclaim Plaintiff Diva International Inc. (“Counterclaim Plaintiff”):

JURISDICTION

1. Counterclaim Defendants ADMIT that Counterclaim Plaintiff has filed Counterclaims against them. Counterclaim Defendants DENY the remaining allegations of paragraph “1” of the Counterclaims.

2. Counterclaim Defendants ADMIT the allegations of paragraph “2” of the Counterclaims.

3. Counterclaim Defendants ADMIT the allegations of paragraph “3” of the Counterclaims.

4. Counterclaim Defendants ADMIT the allegations of paragraph “4” of the Counterclaims.

PARTIES

5. Counterclaim Defendants DENY the allegations of paragraph “5” of the Counterclaims in that they presently lack sufficient knowledge or information upon which to form a belief as to the truth thereof.

6. Counterclaim Defendant ENG Sales LLC ADMITS the allegations of paragraph “6” of the Counterclaims.

7. Counterclaim Defendant ENG Sales LLC ADMITS the allegations of paragraph “7” of the Counterclaims.

8. Counterclaim Defendant Eliezer Zimmerman ADMITS the allegations of paragraph “8” of the Counterclaims.

9. Counterclaim Defendant Eliezer Zimmerman ADMITS that he is a member of ENG Sales LLC. Counterclaim Defendant Eliezer Zimmerman DENIES the remaining allegations of paragraph “9” of the Counterclaims.

10. Counterclaim Defendant Gitel Zimmerman ADMITS the allegations of paragraph “10” of the Counterclaims.

BACKGROUND

11. Counterclaim Defendants DENY the allegations of paragraph “11” of the Counterclaims in that they presently lack sufficient knowledge or information upon which to form a belief as to the truth thereof.

12. Counterclaim Defendants DENY the allegations of paragraph “12” of the Counterclaims in that they presently lack sufficient knowledge or information upon which to form a belief as to the truth thereof.

13. Counterclaim Defendants DENY the allegations of paragraph “13” of the Counterclaims in that they presently lack sufficient knowledge or information upon which to form a belief as to the truth thereof.

14. Counterclaim Defendants DENY the allegations of paragraph “14” of the Counterclaims.

15. Counterclaim Defendants DENY the allegations of paragraph “15” of the Counterclaims in that they presently lack sufficient knowledge or information upon which to form a belief as to the truth thereof.

16. Counterclaim Defendants DENY the allegations of paragraph “16” of the Counterclaims in that they presently lack sufficient knowledge or information upon which to form a belief as to the truth thereof.

17. Counterclaim Defendants DENY the allegations of paragraph “17” of the Counterclaims in that they presently lack sufficient knowledge or information upon which to form a belief as to the truth thereof.

18. Counterclaim Defendants DENY the allegations of paragraph “18” of the Counterclaims in that they presently lack sufficient knowledge or information upon which to form a belief as to the truth thereof.

19. Counterclaim Defendants DENY the allegations of paragraph “19” of the Counterclaims in that they presently lack sufficient knowledge or information upon which to form a belief as to the truth thereof.

20. Counterclaim Defendants DENY the allegations of paragraph “20” of the Counterclaims in that they presently lack sufficient knowledge or information upon which to form a belief as to the truth thereof.

21. Counterclaim Defendants DENY the allegations of paragraph “21” of the Counterclaims in that they presently lack sufficient knowledge or information upon which to form a belief as to the truth thereof.

22. Counterclaim Defendants DENY the allegations of paragraph “22” of the Counterclaims in that they presently lack sufficient knowledge or information upon which to form a belief as to the truth thereof.

23. Counterclaim Defendants DENY the allegations of paragraph “23” of the Counterclaims in that they presently lack sufficient knowledge or information upon which to form a belief as to the truth thereof.

24. Counterclaim Defendants DENY the allegations of paragraph “24” of the Counterclaims.

25. Counterclaim Defendants DENY the allegations of paragraph “25” of the Counterclaims.

26. Counterclaim Defendants DENY the allegations of paragraph “26” of the Counterclaims.

27. Counterclaim Defendants DENY the allegations of paragraph “27” of the Counterclaims.

28. Counterclaim Defendants DENY the allegations of paragraph “28” of the Counterclaims. Counterclaim Defendant ENG Sales LLC maintains the STAM SALES storefront on Amazon.

29. Counterclaim Defendants DENY the allegations of paragraph “29” of the Counterclaims in that the allegation is incomprehensible. Counterclaim Defendant ENG Sales LLC ADMITS that it has listed DivaCup products for sale through its Amazon storefront.

30. Counterclaim Defendants DENY the allegations of paragraph “30” of the Counterclaims in that they presently lack sufficient knowledge or information upon which to form a belief as to the truth thereof.

31. Counterclaim Defendants DENY the allegations of paragraph “31” of the Counterclaims in that they presently lack sufficient knowledge or information upon which to form a belief as to the truth thereof.

32. Counterclaim Defendants ADMIT that Counterclaim Plaintiff has submitted false reports of infringement to Amazon relating to Counterclaim Defendants’ products. Counterclaim Defendants DENY the remaining allegations of paragraph “32” of the Counterclaims in that they presently lack sufficient knowledge or information upon which to form a belief as to the truth thereof.

33. Counterclaim Defendants ADMIT that, in October 2018, Counterclaim Plaintiff reported to Amazon that ENG Sales LLC had sold allegedly

counterfeit DivaCup Products. Counterclaim Defendants DENY the remaining allegations of paragraph “33” of the Counterclaims in that they presently lack sufficient knowledge or information upon which to form a belief as to the truth thereof.

34. Counterclaim Defendants ADMIT that, in October 2018, ENG Sales LLC provided Counterclaim Plaintiff with photographs of its inventory of DivaCup Products and that Counterclaim Plaintiff sent a request to Amazon to reinstate ENG Sales LLC’s ability to offer DivaCup Products for sale on one listing. Counterclaim Defendants DENY the remaining allegations of paragraph “34” of the Counterclaims in that they presently lack sufficient knowledge or information upon which to form a belief as to the truth thereof.

35. Counterclaim Defendants DENY the allegations of paragraph “35” of the Counterclaims in that they presently lack sufficient knowledge or information upon which to form a belief as to the truth thereof.

36. Counterclaim Defendants DENY the allegations of paragraph “36” of the Counterclaims to the extent that they allege that Counterclaim Defendants created unauthorized or duplicative listings of DivaCup Products. Counterclaim Defendants DENY the remaining allegations of paragraph “36” of the Counterclaims in that they presently lack sufficient knowledge or information upon which to form a belief as to the truth thereof.

37. Counterclaim Defendants DENY the allegations of paragraph “37” of the Counterclaims

38. Counterclaim Defendants DENY the allegations of paragraph “38” of the Counterclaims.

FIRST COUNTERCLAIM

39. Counterclaim Defendants repeat and reiterate each of every one of the foregoing answers in response to the allegations made in paragraph “39” of the Counterclaims herein with the same force and effect as though set forth at length.

40. Counterclaim Defendants DENY the allegations of paragraph “40” of the Counterclaims.

41. Counterclaim Defendants DENY the allegations of paragraph “41” of the Counterclaims.

42. Counterclaim Defendants DENY the allegations of paragraph “42” of the Counterclaims.

SECOND COUNTERCLAIM

43. Counterclaim Defendants repeat and reiterate each of every one of the foregoing answers in response to the allegations made in paragraph “43” of the Counterclaims herein with the same force and effect as though set forth at length.

44. Counterclaim Defendants DENY the allegations of paragraph “44” of the Counterclaims.

45. Counterclaim Defendants DENY the allegations of paragraph “45” of the Counterclaims.

46. Counterclaim Defendants DENY the allegations of paragraph “46” of the Counterclaims.

THIRD COUNTERCLAIM

47. Counterclaim Defendants repeat and reiterate each of every one of the foregoing answers in response to the allegations made in paragraph “47” of the Counterclaims herein with the same force and effect as though set forth at length.

48. Counterclaim Defendants DENY the allegations of paragraph “48” of the Counterclaims in that they presently lack sufficient knowledge or information upon which to form a belief as to the truth thereof.

49. Counterclaim Defendants DENY the allegations of paragraph “49” of the Counterclaims.

50. Counterclaim Defendants DENY the allegations of paragraph “50” of the Counterclaims.

51. Counterclaim Defendants DENY the allegations of paragraph “51” of the Counterclaims.

52. Counterclaim Defendants DENY the allegations of paragraph “52” of the Counterclaims.

53. Counterclaim Defendants DENY the allegations of paragraph “53” of the Counterclaims.

54. Counterclaim Defendants DENY the allegations of paragraph “54” of the Counterclaims.

FOURTH COUNTERCLAIM

55. Counterclaim Defendants repeat and reiterate each of every one of the foregoing answers in response to the allegations made in paragraph “55” of the Counterclaims herein with the same force and effect as though set forth at length.

56. Counterclaim Defendants DENY the allegations of paragraph “56” of the Counterclaims.

57. Counterclaim Defendants DENY the allegations of paragraph “57” of the Counterclaims.

FIFTH COUNTERCLAIM

58. Counterclaim Defendants repeat and reiterate each of every one of the foregoing answers in response to the allegations made in paragraph “58” of the Counterclaims herein with the same force and effect as though set forth at length.

59. Counterclaim Defendants DENY the allegations of paragraph “59” of the Counterclaims.

60. Counterclaim Defendants DENY the allegations of paragraph “60” of the Counterclaims.

61. Counterclaim Defendants DENY the allegations of paragraph “61” of the Counterclaims.

AFFIRMATIVE DEFENSES

FIRST AFFIRMATIVE DEFENSE

The Counterclaims fail to state a claim upon which relief may be granted. In particular, the Counterclaims fail to provide any factual support for any of the Counterclaims from which the Court could conclude that the Counterclaim Defendants are liable for any claim. For example, the Counterclaims fail to include any facts to support the allegation that Counterclaim Defendants have engaged in the sale of counterfeit products or acted with the requisite intent.

SECOND AFFIRMATIVE DEFENSE

Counterclaim Plaintiff’s claims against Counterclaim Defendants are barred by the exhaustion doctrine/first sale doctrine. As acknowledged by Counterclaim Plaintiff, the products at issue were verified as genuine and authentic by Counterclaim Plaintiff.

THIRD AFFIRMATIVE DEFENSE

Counterclaim Plaintiff’s action is barred, in whole or in part, under the doctrine of unclean hands. Specifically, Counterclaim Plaintiff’s claims are barred by its own unlawful conduct, including its tortious interference, trade libel and defamation.

FOURTH AFFIRMATIVE DEFENSE

Any damage alleged by Counterclaim Plaintiff was the result of its own conduct, for which the Counterclaim Defendants bear no legal responsibility.

FIFTH AFFIRMATIVE DEFENSE

Counterclaim Plaintiff's claims against Counterclaim Defendants are barred because the products-at-issue originated from, were manufactured for, or were otherwise made with the authorization of Counterclaim Plaintiff. As acknowledged by Counterclaim Plaintiff, the products at issue were verified as genuine and authentic by Counterclaim Plaintiff.

SIXTH AFFIRMATIVE DEFENSE

Counterclaim Plaintiff's claims against Counterclaim Defendants are barred by trademark misuse. In particular, Counterclaim Plaintiff improperly used, and continue to improperly use, its trademarks and trademark registrations to submit false and defamatory statements to Amazon. The purpose of Counterclaim Plaintiff's trademark misuse is to stifle legitimate competition and maintain pricing for the DivaCup Products on Amazon.

PRAYER FOR RELIEF

WHEREFORE, the Counterclaim Defendants pray for judgment as follows:

- A. A dismissal with prejudice of Counterclaim Plaintiff's claims against Counterclaim Defendants and denial of any and all relief and prayers for damages to Counterclaim Plaintiff;
- B. An award of all costs and fees incurred in this Action; and
- C. Such other and further relief as the Court shall find just and proper.

DEMAND FOR JURY TRIAL

Counterclaim Defendants hereby request a jury trial for all issues triable by jury including, but not limited to, those issues and claims set forth in any amended complaint or consolidated action.

Dated: November 13, 2019

Respectfully submitted,

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*Attorneys for Plaintiff and
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CERTIFICATE OF SERVICE

I hereby certify that on November 13, 2019, the foregoing document entitled **COUNTERCLAIM DEFENDANTS' ANSWER TO COUNTERCLAIMS AND AFFIRMATIVE DEFENSES** was filed with the Clerk of the Court by using the CM/ECF system, which will cause such document to be served on all counsel of record identified below via transmission of Notice of Electronic Filing generated by CM/ECF:

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s/ Mark Berkowitz